Editor's Notes: Presenting the Presidents, 1971-72

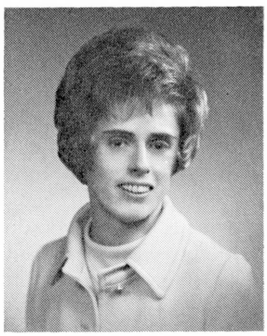
American Woman's Society of Certified Public Accountants

American Society of Women Accountants

EDITOR'S NOTES

The publishers of this magazine, ASWA and AWSCPA, present below the two women who will guide them in the coming year. Supporting the new presidents will be 25 women accountants who bring dedication, talent, and a wealth of experience in their own professional life and in the lives of the two societies. (The addresses and assignments of all the officers and directors are shown on the inside front cover of this issue.)

Presenting the Presidents 1971-1972



Mrs. Sommer, AWSCPA

Miss Draheim, ASWA

Mary B. Sommer, CPA, President of the American Woman's Society of Certified Public Accountants, is an Assistant Vice President of Marine Midland Bank—Western in Buffalo, New York. As Manager of the Financial Reports Analysis Division, Mrs. Sommer is responsible for the preparation, review, and analysis of all financial reports of the bank.

Mrs. Sommer received a B.S. with distinction from the University of Buffalo and passed each part of the CPA exam as she became qualified to sit for it. Her career began with a Buffalo accounting firm, Phillips, Wertman and Co. She was a partner in that firm when she left to enter the banking field.

The new president has served AWSCPA as director, secretary, and vice president. In addition, she has been president "and almost everything else" of the Buffalo Chapter of ASWA. She is also a member of AICPA, New York Society of CPAs, NAA, National Association of Banking Women, Accounting Careers Council, and American Institute of Banking.

During this next year, President Sommer

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Madeline Draheim, the President of the American Society of Women Accountants, is Administrative Assistant to the President and Chairman of the Board of F. S. Smithers, Inc., New York City. In her position with this firm of investment bankers, Miss Draheim is responsible for the portfolio management of the accounts of her clients as well as those of the President/Chairman of the Board.

President Draheim attended New York University and New York Institute of Finance. She was corporate secretary for fibre importers for a number of years. A hobby of following and charting the stock market finallv developed into a vocation—and she switched to the securities industry. She is registered with the S.E.C. as an investment advisor and is a registered representative with the New York and American Stock Exchanges.

Miss Draheim is a member of the Association of Investment Brokers and NAA and is on the speakers bureau of the New York Stock Exchange. She has served as president of the New York Chapter of ASWA and, on the na-

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Individuals	X	Y	Z	Identical Ownership
	Corporations			
A	45%	24%	29%	24%
B	45%	24%	29%	24%
C	10%	3%	1%	1%
D	–	49%	–	-0-
E	–	–	29%	-0-
F	–	–	12%	-0-
Total	100%	100%	100%	50%

Although there are six individuals involved in this example, it is not really necessary to include individual F in meeting the 80 percent test for corporation Z. Therefore, it would appear that X, Y and Z will be deemed to be a brother-sister controlled group.

Another complication comes into play when a group of commonly owned corporations cannot meet both tests when considered in total, but make up several controlled groups with interchangeable memberships. Referring to the first example quoted from Temporary Regulations §13.16-1, imagine the possibilities if corporation T was partially owned by a sixth individual, as follows:

Individuals	P	Q	R	S	T	Identical Membership
	Corporations					
A	60%	60%	60%	60%	60%	60%
B	40%	–	–	–	–	–
C	–	40%	–	–	–	–
D	–	–	40%	–	–	–
E	–	–	–	40%	–	–
F	–	–	–	–	40%	–
Total	100%	100%	100%	100%	100%	60%

The 80 percent test cannot be met by the entire group because 80 percent of the stock of each corporation is not owned by five or fewer people, but there are now five controlled groups as follows:

(1) P, Q, R and S
(2) Q, R, S and T
(3) R, S, T and P
(4) S, T, P and Q
(5) T, P, Q and R

The Temporary Regulations provide that, where there are overlapping brother-sister controlled groups, any corporation that would be a component member of more than one group shall be treated as a member of only one group. The corporation may file an election designating the group in which it elects to be included; or, if no election is filed, the district director with audit jurisdiction will make the determination.

There are also rules for determining ownership and control of stock in controlled groups which are pertinent in establishing whether or not a controlled group exists. For the purpose of the 80 percent and 50 percent tests applied to brother-sister controlled groups, non-voting preferred stock, treasury stock, and certain other "excluded stock" specified in Section 1563 (c) (2) are not counted. Furthermore, option holders are treated as though they already owned the stock under option. Stock owned by partnerships, trusts, or other corporations will be attributed to individuals with substantial interests in such entities under specific circumstances. And stock owned by spouses and minor children is under certain circumstances attributed to controlling stockholders. The attribution rules under Section 1563 are not as broad as those under other sections of the Code, but should be carefully considered in working out controlled group determinations.

Parent-subsidiary groups frequently also meet the definition of an affiliated group which is entitled to file a consolidated return. Although only one surtax exemption is available to a group filing a consolidated return, elimination of inter-company transactions will effectively reduce the total taxable income of the group.

In the case of brother-sister groups owned by non-corporate interests, the new rules leave little opportunity for minimizing tax liabilities through the use of multiple entities. Where the new rules result in damaging tax consequences, reorganizations may be required to either establish an affiliated group status or to avoid the brother-sister controlled group classification.

MISS DRAHEIM

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tional level, has been a director, vice president, and president-elect.

ASWA, according to its new president, "needs to Know, to Show and to Grow." During her presidency, she hopes to find more ASWA members in existing chapters and to increase attendance at all meetings—from the local chapters to joint annual meetings. She hopes to see "ASWA continuing to develop the potentials of its members and continuing to offer its membership the opportunity to keep pace with changing techniques and new ideas through study sessions and technical programs."

As befits an ASWA president, Miss Draheim loves to travel—a newly acquired interest in bicycling will probably not be utilized for trips between her home and ASWA's almost 90 chapters!

REVIEWS

Writings in Accounting

DR. MARIE E. DUBKE, CPA, Editor
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Memphis, Tennessee

"*The Tax Reform Act: A Manual for Tax Practitioners,*" Sidney Kess; Hanover Lamont Corporation, Boston, Massachusetts; 1970, 339 pages, $17.50.

Sidney Kess, author and teacher of several professional development courses on taxes for the American Institute of Certified Public Accountants, has written an excellent book strictly for tax practitioners and those already familiar with the tax laws. It is not a textbook on federal income taxes, but rather discusses the 1969 tax law changes as they affect individuals, corporations, trusts and charitable foundations.

The book is written in three parts. It may be desirable to read Part II first. Part II, Chapter 34, is a brief review of the tax law.

Part I is the major portion of the book. A chapter is devoted to each major change in the law, such as the complexities of maximum and minimum taxes, capital gains and losses for individuals, charitable contributions for individuals, low-income allowance, and real estate depreciation and recapture of depreciation. The thirty-three chapters, each a separate topic, cover 280 pages.

Two interesting features appear at the end of each of these chapters. A short quiz gives depth and additional understanding to the material read – and the answers are given. Thus, this book would make an excellent manual for self-instruction or staff training. A second feature is a short synopsis of tax planning. This part seems too short. However, Chapter 35 of Part II discusses year-end tax planning.

Glenda E. Ried, CPA
The University of Toledo

"*The Impact of Technology on Job Enrichment,*" by John W. Anderson, Personnel, Volume 47, No. 5, Sept/Oct. 1970.

Although it has been many years since Douglas McGregor wrote of job enrichment as a concept, job enrichment as an actual program for job redesign is relatively new. In 1955, Davis, Canter, and Hoffman found that the vast majority of companies designed jobs to minimize training costs through worker specialization. Mr. Anderson states, "It seems clear that fifteen years ago job design to better motivate workers was not even a consideration, and even today there is a limited number of actual job enrichment experiences in industry."

In this article, Mr. Anderson reports on his study of job enrichment at ten companies that had made efforts extensive enough to lead to some generalizations. At the outset he defines job enrichment as the systematic attempt to restructure jobs with the objective of obtaining improved worker motivation. Frederick Herzberg believes that important elements in a job that has been enriched include responsibility, achievement, recognition, advancement and growth. Dale Smith believes an enriched job is one that offers autonomy, challenge, and task identity, while Edward Lawler states an enriched job has the dimensions of autonomy, feedback, variety, and task identity.

Mr. Anderson's study led him to conclude that we need much more study of the job enrichment process before a full model can be built. Unsettled problems are the question of worker participation, compensation, the role of the union, and the relationship between job enrichment and organization development.

Dr. Patricia L. Duckworth, CPA
Metropolitan State College, Denver

MRS. SOMMER

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hopes to encourage women accountants in their professional advancement by involving them more actively in AWSCPA and by urging them to devote their time and talents to their state societies and to other technical accounting organizations.

Mrs. Sommer has been an instructor in accounting for the American Institute of Banking and has been a speaker at ASWA-AWSCPA joint annual meetings in Detroit, Miami, and Los Angeles. She has also been an instructor in accounting seminars held for persons taking examinations for certificates in data processing.

Mrs. Sommer and her husband, Alan, are active and ardent golfers and sailors.